



22 DEC 1970

Honorable George P. Shultz
Director, Office of Management
and Budget
Washington, D. C. 20503

My dear Mr. Shultz:

I have the request of the Office of Management and Budget for this Agency's views and recommendations on Enrolled Bill S. 4571, "To amend the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, and for other purposes."

The bill conforms the CIA Retirement Act to applicable Civil Service Retirement Act provisions relating to child support, commencement date of annuities, and the crediting of prior Federal service not covered by contributions. It also authorizes the transfer of employer contributions into and out of the CIA retirement fund and increases the number of retirements authorized through 30 June 1974.

--A majority of Agency employees are covered by the Civil Service retirement system. The conforming changes in S. 4571 are equitable and necessary for the continued viability of the CIA Retirement Act, which covers a smaller number of Agency employees.

--The increase in retirement ceiling is urgently needed and will aid in achieving directed personnel reductions.

--The transfer of fund provision will contribute to the financial soundness of the CIA Retirement Fund.

I strongly recommend approval of S. 4571 by the President.

Sincerely,

R. E. Cushman, Jr.

R. E. Cushman, Jr.
Lieutenant General, USMC
Acting Director

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